

~~CONFIDENTIAL~~

26

CD NO.

DATE DISTR. 13 January 1951

NO. OF PAGES 1

**RETURN TO CIA
LIBRARY**

NO. OF ENCLS.
(LISTED BELOW)

25X1

SUPPLEMENT TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT OF U.S.C., 51 AND 52, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

25X1

1. Two Oberreferenten (section chiefs) of the IIA Chemie had been commissioned to investigate the prices (Preisbildung) of TTH (low temperature hydrogenation) paraffin in the Zeitz (II 52/K 08) SAG Plant because, when the paraffin is sold at the current price of 800 eastmarks per ton, the Soviet Zone Finance Ministry has to pay the plant a subsidy of 540 eastmarks per ton. The subsidy adds up to 10.3 million marks annually for about 20,000 tons of TTH paraffin. A subsidy of 360 eastmarks per ton is necessary for an additional 10,000 tons of paraffin, and this means another 3.6 million eastmarks annually. This situation caused the competent agencies of the Finance Ministry to arrange an investigation of the SAG plant. The authorization to enter the plant on 28 September 1950 was obtained with great difficulty with the assistance of the Property Administration of the Weissensee SAG Plant. However, the investigation had to be suspended on 2 October 1950, because the Soviet Administration of the Zeitz Plant refused to reveal to the inspection team all the details required. The results of the inspection were discussed in the Soviet Zone Finance Ministry [redacted]

25X1

25X1

25X1

25X1

2. [redacted] the Zeitz Plant has to transfer a monthly profit of 10 million eastmarks to the U.S.S.R. The money itself is not transferred, but goods worth this amount, are delivered to the U.S.S.R. The document also revealed that the profit of 60 million eastmarks for the first half year 1950 was cut down to 2 million eastmarks and the remaining 58 million eastmarks was declared as back rent (rueckstaendige Pacht). In addition to this sum, 15 million eastmarks was to be paid by the Soviet Zone of Germany as rent (Pacht) for the same period. This amount is also to be paid to the U.S.S.R. by goods deliveries on the basis of the 1944 stop prices.

Document No. 007
No Change in Class. ☐
☒ Declassified
Class. Changed To: TS S C
Auth.: HR 70-2
Date: 12 JUL 1978 By:

25X/

This document is hereby regraded to
CONFIDENTIAL in accordance with the
letter of 16 October 1973 from the
Director of Central Intelligence to the
Archivist of the United States.

Next Review Date: 2008

CLASSIFICATION

CONFIDENTIAL

[illegible]